

COMMERCIAL PROPERTY

**MAIN SAIL PROPERTY COVERAGE ENDORSEMENT**

**THIS ENDORSEMENT MODIFIES INSURANCE UNDER THE FOLLOWING:**

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM  
CAUSES OF LOSS – SPECIAL FORM  
CONDOMINIUM ASSOCIATION COVERAGE FORM  
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM**

**I. Additional Coverage Paragraphs 4.a, 4.c., and 4.e., of Section A., COVERAGE, are amended as follows:**

**a. Debris Removal**

The additional limit of insurance for debris removal expense in paragraph **4.a., (4)** is amended to \$25,000.

All other terms and conditions of this Additional Coverage apply.

No deductible applies to this Additional Coverage.

**c. Fire Department Service Charge**

The limit of liability for fire department service charge in paragraph **4.c.** is amended to \$25,000.

All other terms and conditions of this Additional Coverage apply.

No deductible applies to this Additional Coverage.

**e. Ordinance or Law Coverage**

Coverage applies only to policies issued on a replacement cost basis.

**Paragraph A.,4.,e.(6)** is amended as follows:

**A. Coverage**

**(1) Coverage 1 – Coverage for Loss to the Undamaged Portion of the Building**

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss

## **(2) Coverage 2 – Demolition Cost Coverage**

If a Covered Cause of Loss occurs to covered Building property, we will pay costs to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

**Paragraph E.4.b.** of the Property Loss Conditions does not apply to Demolition Cost Coverage.

## **(3) Coverage 3 – Increased Cost of Construction Coverage**

If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:

- (a) Repair or reconstruct damaged portions of that Building property; and
- (b) Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required when the increased cost is a consequence of enforcement of building, zoning, or land use ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph **E. 4. b.** of the Loss conditions does not apply to the Increased Cost of Construction Coverage.

## **B. Loss Payment**

The most we will pay for the total of all covered losses for Coverage 1, 2, and 3 above is a combined limit of insurance of \$100,000. This \$100,000 may be allocated in any manner, however we will not pay more than \$100,000 per occurrence. Subject to this combined limit of insurance, the following loss provisions apply:

- (1) For Demolition cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (2) For Increased Cost of Construction:
  - (a) We will not pay for the increased cost of construction:
    - (i) Until the property is actually repaired or replaced at the same or another premises; and;
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) This coverage is in addition to the \$10,000 or 5% of the limit of insurance provided in Section 4.e.(6) in the Building and Personal Property Coverage Form.

**C. Other Insurance**

If you purchase other Ordinance or Law Coverage:

- (1) Under Coverage 1 above, the amount of insurance under B Loss Payment, does not apply to, or increase the Building limit shown in the Declarations.
- (2) Under Coverage 2 or 3 above, the amount we will pay for the Combined Limit, under B Loss Payment, is in addition to any other amount of insurance applying to these coverages appearing elsewhere in this policy.

**D.** The terms of this coverage apply separately to each building to which this coverage applies.

**E.** Under this coverage, we will not pay for loss due to any ordinance or law that:

- (1) You were required to comply with before the loss, even if the building was undamaged; and
- (2) You failed to comply with.

**F.** We will not pay under this coverage for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

**G.** The policy deductible applies to this Additional Coverage.

**II. Section A.4., Additional Coverages, is amended to include the following new Additional Coverages:**

**g. Exterior Signs**

This policy provides an additional amount of insurance, at each described premises, up to \$10,000 to cover direct physical loss to all exterior signs which are:

- (1) The property of the insured; or
- (2) The property of others in the care, custody and control of the insured, but for no more than the amount for which you are legally liable; and
- (3) Located on the premises described in the Declarations.

This additional coverage does not apply to losses caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

The Cause of Loss and Exclusions provisions in this policy, except exclusions listed above and the War and Military Action, Governmental Action, and Nuclear Hazard exclusions; do not apply to this additional coverage.

The Additional Condition, Coinsurance, does not apply to this Additional Coverage.

A \$500 deductible applies to this Additional Coverage in lieu of the policy deductible stated in the Declarations.

**h. Signs Away From Premises**

This policy provides up to \$2,500 to cover direct physical loss of or damage to outdoor signs, owned by the insured, but located away from the insured premises.

This additional coverage does not apply to losses caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown

The Cause of Loss and Exclusions provisions in this policy, except exclusions listed above and the War and Military Action, Governmental Action, and Nuclear Hazard exclusions; do not apply to this additional coverage.

A \$500 deductible applies to this Additional Coverage.

**i. Lock Replacement**

If the keys to the described building premises are lost or stolen, we will pay up to \$1500 for expenses incurred by you (the building owner) or the tenant (if responsible by lease or contract to maintain the building) to replace the locks on all entrances to the premises for which the keys were lost or stolen.

No deductible applies to this Additional Coverage.

**III. Section A.5., Coverage Extensions, is amended as follows:**

**a. Newly Acquired or Constructed Property**

**(1) Buildings**

If this policy covers Building, you may extend that insurance to apply to:

- (a)** Your new buildings while being built on the described premises; and
- (b)** Buildings you acquire at locations, other than the described premises, intended for:
  - (i)** Similar use as the building described in the Declarations; or
  - (ii)** Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

**(2) Your Business Personal Property**

- (a)** If this policy covers your Business Personal Property, you may extend that insurance to apply to:
- (i)** Business Personal Property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions.
  - (ii)** Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
  - (iii)** Business personal property that you newly acquire, located at the described premises.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

- (b)** This Extension does not apply to:
- (i)** Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
  - (ii)** Personal property of others that is in your care, custody or control.

**(3) Period of Coverage**

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

- (a)** This policy expires.
- (b)** 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property, or 30 days expire after you acquire your business personal property; or
- (c)** You report values to us.

We will charge you an additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as covered property.

The policy deductible stated in the Declarations applies to this Coverage.

The Additional Condition, Coinsurance, does not apply to this Coverage Extension.

**b. Personal Effects and Property of Others**

You may extend the insurance that applies to your Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody.

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

The policy deductible stated in the Declarations applies to this Coverage.

The Additional Condition, Coinsurance, does not apply to this Coverage Extension.

**c. Valuable Papers and Records (Other Than Electronic Data)  
Valuable Papers and Records - Cost of Research**

You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to Valuable Papers and Records, including the cost to research, replace, or restore the lost information on lost or damaged valuable papers and records, including those which exist on electronic or magnetic media, for which duplicates do not exist. The most we will pay in any one occurrence at the described premises is \$25,000, unless a higher Limit of Insurance for Valuable Papers and Records is shown in the Declarations.

For Valuable Papers and Records not at the described premises, the most we will pay is \$5,000.

The policy deductible stated in the Declarations applies to this Coverage.

The Additional Condition, Coinsurance, does not apply to this Coverage Extension.

**d. Property Off-Premises**

- (1) You may extend the insurance provided by this Coverage Form to apply to:
  - (a) Your Covered Business Personal Property; or

- (b) Personal Property of Others in your care, custody or control while it is away from the described premises, if it is
  - (a) Temporarily at a location you do not own, lease or operate;
  - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy or term; or
  - (c) At any fair, trade show or exhibition
- (2) This Extension does not apply to property in or on a vehicle.
- (3) The most we will pay for loss or damage under this Extension is:
  - (a) \$25,000 for Your Covered Business Personal Property; or
  - (b) \$10,000 for Personal Property of Others.

The policy deductible stated in the Declarations applies to this Coverage.

The Additional Condition, Coinsurance, does not apply to this Coverage.

**e. Outdoor Property**

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs, and plants (other than "stock" of trees, shrubs, and plants), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$1,000 for any one tree, shrub, or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

The policy deductible applies to this Additional Coverage.

The Additional Condition, Coinsurance, does not apply to this Coverage Extension.

**IV. If the CAUSES OF LOSS – SPECIAL FORM is shown in the Declarations, Paragraph B.1. g. (3) Exclusion -Water is replaced by the following:**

We will pay for the loss or damage caused by or resulting from water that backs up from a sewer or drain, however this coverage does not apply to the overflow of water from a roof drain, gutter or sump. The most we will pay under this extension of coverage is \$10,000 in any one occurrence.

The policy deductible stated in the Declarations applies to this Coverage.

**V. If the CAUSES OF LOSS - SPECIAL FORM is shown in the Declarations, Paragraph F.1.c., of Additional Coverage Extensions, is amended as follows:**

**1. Property in Transit**

This Extension applies only to your Business Personal Property to which this form applies.

**a.** You may extend the insurance provided by this Coverage Part to apply to:

- (1) Your Business Personal Property; or
- (2) Personal Property of Others,

in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

This coverage does not apply to tools.

**b.** Loss or damage must be caused by or result from one of the following causes of loss:

- (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion or vandalism.
- (2) Vehicle collision, upset, or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the road bed.
- (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.

**c.** The most we will pay for loss or damage, under this additional insurance is:

- (1) Up to \$25,000 for your Business Personal Property; or
- (2) Up to \$10,000 for Business Personal Property of Others.

- (3) Up to \$5,000 for your Business Personal Property in the custody of your salespersons.

This Additional Coverage Extension is an additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

The policy deductible applies to this Extension of coverage.

**V. Section F., Additional Coverage Extensions, is amended to include the following new Coverage Extensions:**

**4. Money and Securities**

- (1) Subject to the following limitations, we will pay for loss of "money" and "securities" used in the conduct of the insured's business, resulting from:
  - (a) Theft, meaning any act of stealing;
  - (b) Disappearance; or
  - (c) Destruction
    - (i) Inside the Premises: While in or on the premises described in the Declarations, or within a bank or savings institution; and
    - (ii) Outside the Premises: While en route to or from such described premises, bank or savings institution, or in the care and custody of you, any of your partners, or any employee.
- (2) We will not pay for loss:
  - (a) Resulting from accounting or arithmetical errors or omissions;
  - (b) Resulting from any dishonest or criminal act committed by any of your employees, directors, trustees or authorized representatives:
    - (i) Acting alone or in collusion with other persons; or
    - (ii) While performing services for you or otherwise;
  - (c) Resulting from the giving or surrendering of property in any exchange or purchase;
  - (d) Resulting from damages to the premises resulting from fire, however caused;

- (e) Of property contained in any money-operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device; or
  - (f) Resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.
- (3) The insured must keep records of all money and securities so that we can verify the amount of any loss or damage.

**(4) Definitions:**

(a) "Money" means:

- (i) Currency, coins, and bank notes in current use and having a face value; and
- (ii) Travelers checks, register checks, and money orders held for sale to the public.

(b) "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

- (i) Tokens, tickets, revenue, and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- (ii) Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but this does not include "money".

**(5) Limits:**

The most we will pay for loss or damage under this Coverage Extension is \$10,000 Inside the Premises, \$3,000 Outside the Premises.

This coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

**(6) Deductible:**

A \$500 deductible applies to this Coverage extension in lieu of the deductible stated in the Declarations.

**5. Arson Reward**

In the event that a covered fire loss was the result of an act of arson, we will reimburse you up to \$25,000 for rewards you pay for information leading to convictions for that act of arson.

The Deductible does not apply to this reimbursement.

## **6. Fire Extinguishing Equipment Recharge Expense**

We will pay up to \$25,000 for expenses you incur to recharge your automatic fire protection equipment discharged:

- (1) To fight a fire; or
- (2) As the result of a Covered Cause of Loss.

This Coverage Extension is additional insurance.

No deductible will apply to these expenses.

## **7. Accounts Receivable**

You may extend the insurance to apply to:

- (1) All amounts due from your customers that you are unable to collect when a Covered Cause of Loss damages your accounts receivable records;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (4) Other reasonable expenses that you incur to reestablish your records of accounts receivable that result from Covered Causes of Loss to your records of accounts receivable.

The most we will pay for loss or damage under this extension is \$25,000 at each described premises.

For accounts receivable not at the described premises, the most we will pay is \$5000.

The policy deductible stated in the Declarations applies to this Coverage.

This coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

## **8. Tenant Building Glass**

We will pay for damage to building glass, resulting from a Covered Cause of Loss, if you are a tenant, and you are responsible by lease or contract for building glass at a Covered Location.

We will pay no more than \$1,000 per pane, and up to \$3,000 total under this Coverage Extension.

A \$500 deductible applies per occurrence to this Coverage Extension.